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10/001,475	11/01/2001	Mark Michael Groz	MMG-001V	1906

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244 Madison Avenue, #377
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EXAMINER

OUELLETTE, JONATHAN P

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 09/21/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/001,475

Applicant(s)

GROZ, MARK MICHAEL

Examiner

Jonathan Ouellette

Art Unit

3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 July 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-28 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-28 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Request for Continued Examination

1. The Request filed on 7/9/2004 for Continued Examination (RCE) under 37 CFR 1.114 based on parent Application No. 10/001,475 is acceptable and a RCE has been established. An action on the RCE follows.

Response to Amendment

2. Claims 19-28 have been added; therefore Claims 1-28 are now pending in application 10/001,475.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. **Claims 13, 17, 18, 20, 21, and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

5. As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited

times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof."

Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

6. Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).
7. This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI).

See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

8. In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.
9. The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on

statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*.

However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

10. Claim 13 appears to be describing a method that is attempting to sell a valuation estimate service used in negotiation. Thus, this process does not include a distinguishable apparatus, computer implementation, or any other incorporated technology, and would appear to be an attempt to patent an abstract idea not a "tangible" process and, therefore, non-statutory subject matter.
11. Claim 17 appears to be describing a method that is attempting to sell a negotiation management service. Thus, this process does not include a distinguishable apparatus, computer implementation, or any other incorporated technology, and would appear to be

an attempt to patent an abstract idea not a “tangible” process and, therefore, non-statutory subject matter.

12. For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.
13. Claims 18, 20, 21, and 24-27 are rejected as they depend on a rejected independent claim.

Claim Rejections - 35 USC § 102

14. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

15. **Claims 1, 12, 14, 19, 22, 23, and 28 are rejected under 35 U.S.C. 102(e) as being anticipated by Israel et al. (US 6,766,307 B1).**

16. As per independent Claims 1 and 12, Israel discloses a method / system for using a computer to solve problems involving a plurality of agents comprising: receiving at the computer a request from one of the agents to participate in a problem-solving group;

submitting an update from the computer to a database to be stored in the database, the update includes information about agents, that include contingent commitments between different ones of the agents, and rules for processing said contingent commitments to discover potential solutions, wherein the contingent commitments include at least one modal operator or quantifier; sending an update notification from the computer to those agents in the problem-solving group according to agent definable criteria, said update notification is in response to the update, wherein the update notification comprises: an indication that a new agent has joined the problem-solving group; a description of solutions, that are discovered by processing of the contingent commitments according to the rules of the database, with an indication of a solution type for each solution; said information about the agent; and information about one or more contingent commitments of said agent (Abstract, C3 L5-10, C4 L54-65, C16 L36-58, C23 L43-67, C24).

17. As per independent Claim 14, Israel discloses a method for using a computer to conduct a negotiation between a first agent and a second agent, the negotiation comprising: receiving by said computer a request from a first agent to negotiate with a second agent, wherein the subject of said negotiation is scalar quantity (C23 L43-67, C24); notifying the first agent by said computer of an opportunity to negotiate with the second agent; receiving by said computer data related to a negotiation between the first agent and the second agent; performing a calculation to determine whether the negotiating produces a value acceptable to the first agent and the second agent; notifying the first agent and the second agent of the outcome of the negotiation (Abstract, C3 L5-10, C4 L54-65, C16 L36-58, C23 L43-67, C24).

18. As per Claim 28, Israel discloses facilitating real-time communication between the first agent and the second agent before, during, and after the negotiation session.
19. As per independent Claim 19, Thiessen discloses a method comprising: a) maintaining a database for managing contingent commitments by maintaining a database storing information, the information pertaining to existing agents, contingent commitments, and rules for processing said commitments to discover potential solutions, wherein the contingent commitments include at least one modal operator or quantifier (C23 L43-67, C24); b) providing a valuation estimate, the valuation estimate providing an estimate as to one or more quantities by performing one or more calculations at the request of one or more agents to estimate the value of a quantity, wherein the estimate accomplishes multi-dimensional error reduction (C23 L43-67, C24); and c) conducting a negotiation between two agents, said negotiation comprising receiving by said computer a request from an agent to negotiate with another agent, notifying an agent by said computer of an opportunity to negotiate with another agent, receiving by the computer data related to a negotiation between two agents, performing a calculation to determined whether the negotiation produces a value acceptable to said agents; and notifying said agents of the outcome of a negotiation, wherein the subject of said negotiation is a scalar quantity (Abstract, C3 L5-10, C4 L54-65, C16 L36-58, C23 L43-67, C24).
20. As per independent Claim 22, Thiessen discloses computer readable media having computer readable instructions that when executed by a processor causes the processor to perform a method for conducting a negotiation between two agents or groups of agents includes information that is maintained confidential to each agent from the other agent,

said negotiation comprising receiving at said computer a request from an agent to negotiate with another agent, receiving at the computer data related to a negotiation values that describes acceptable values between two agents, performing a calculation to determined whether the negotiation produces a value acceptable to said agents; and notifying said agents of the outcome of a negotiation, wherein the subject of said negotiation is a scalar quantity (Abstract, C3 L5-10, C4 L54-65, C16 L36-58, C23 L43-67, C24).

21. As per Claim 23, Thiessen discloses allowing both parties to safely disclose their true negotiation strategy.

Claim Rejections - 35 USC § 103

22. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

23. **Claims 2-3, 5-7, and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Israel et al. in view of Thiessen.**

24. As per Claim 2, Israel fails to disclose wherein information about the agent is submitted to the database, the agent includes privacy filters that can be removed only by said agent.

25. Thiessen teaches wherein information about said agent is controlled by privacy filters that can be removed only by said agent (Abstract, C4 L45-63, C5 L42-65, C6 L16-43).

26. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have included wherein information about said agent is controlled by privacy filters that can be removed only by said agent, as disclosed by Thiessen in the system disclosed by Israel, for the advantage of providing a method for using a computer to solve problems involving a plurality of agents with the ability to maintain user confidentiality so as to not compromise each users negotiation tactics.
27. As per Claim 3, Israel and Thiessen disclose wherein the information about the one or more contingent commitments of said agent is controlled by privacy filters that can be removed only by said agent (Thiessen: Abstract, C4 L45-63, C5 L42-65, C6 L16-43).
28. As per Claim 5, Israel and Thiessen disclose wherein said request includes at least one contingent commitment relating to the problem to be solved.
29. As per Claim 6, Israel and Thiessen disclose wherein one of said solutions may be converted into a binding agreement among the agents or a subset of the agents.
30. As per Claim 7 and 9, Israel and Thiessen fail to disclose receiving an identifier specifying form of payment and account information to be used in providing payments related to problem solving group participation and/or transactions arising from solutions, receiving an express authorization to charge said account for said problem solving group participation.
31. However, web commerce was well established at the time the invention was made and therefore, it would have been obvious to except payment for dispute resolution services offered over the Internet by having the user identify the type of payment they wanted to use and receive express authorization to charge an account if necessary.

32. Claims 4, 11, 15, and 16 are rejected under 35 U.S.C. 103 as being unpatentable over Israel et al.

33. As per Claim 4, Israel does not expressly show wherein solutions types may be binding, nonbonding, subject to vote, subject to future contingencies.

34. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of the type of solution reached. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

35. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have offered binding, nonbonding, subject to vote, subject to future contingencies as possible solution to a dispute, because such a solution does not functionally relate to the steps in the method claimed and because the subjective interpretation of the solution does not patentably distinguish the claimed invention.

36. As per Claim 11, Israel does not expressly show wherein said problems includes at least one from the group of: a negotiation among a plurality of parties concerning the price of a collection of goods and/or services; a negotiation among a plurality of parties concerning a non-price scalar value; a negotiation relating to a collection of goods and/or services; a negotiation among a plurality of parties relating to venture capital investing; a negotiation among a plurality of parties relating to joint venture undertaking; a negotiation among a plurality of parties relating to the development of intellectual property; a negotiation

among a plurality of parties relating to internal corporate strategic planning; a negotiation among a plurality of parties concerning the scheduling of one or more meeting, events, or processes; a negotiation among a plurality of parties concerning the early adoption of new products and/or services; a negotiation among a plurality of parties concerning terms of settlement of a legal dispute; a negotiation among a plurality of parties concerning disposition of funds for charitable purposes; a negotiation among a plurality of parties concerning conduct of central bank policy; a negotiation among a plurality of parties concerning government or inter-governmental policy-making; and a negotiation among a plurality of parties relating to group activities.

37. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of the types of problems disputed. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).
38. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have resolved a multitude of problem types, because such a problem type does not functionally relate to the steps in the method claimed and because the subjective interpretation of the problem type does not patentably distinguish the claimed invention.

39. As per Claim 15, Israel does not expressly show wherein the subject of said negotiation is a price or other scalar quantity associated with a collection of goods, services, or other assets and/or liabilities, whether tangible or intangible.
40. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of the negotiation subject. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).
41. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have negotiated a price or other scalar quantity associated with a collection of goods, services, or other assets and/or liabilities, wherein the assets can be either tangible or intangible, as part of the method/system, because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.
42. As per Claim 16, Israel does not expressly show wherein one of said agents is a buyer and a second of said agents is a seller.
43. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of who the agent is. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re*

Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

44. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have used the system/method to solve problems between a buyer and seller, because such agents do not functionally relate to the steps in the method claimed and because the subjective interpretation of the agents do not patentably distinguish the claimed invention.

45. **Claims 8 and 10 are rejected under 35 U.S.C. 103 as being unpatentable over Israel in view of Thiessen.**

46. As per Claim 8, Israel and Thiessen fail to expressly show wherein the form of payment includes at least one of the following: credit card, debit card, Paypal, c2it, checking account transfer, or other electronic funds transfer.

47. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of the form of payment used. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

48. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have accepted credit card, debit card, Paypal, c2it, checking account transfer, or other electronic funds transfer, as a form of payment for serves rendered, because such data does not functionally relate to the steps in the method

claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.


49. As per Claim 10, Israel and Thiessen fail to expressly show wherein said express authorization is received from one of the following: a credit card issuer, a debit card issuer, a bank, or other electronic funds transfer system sponsor.
50. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The dispute resolution method/system would be performed regardless of the where the express authorization is received. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).
51. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have received express authorization from credit card, debit card, Paypal, c2it, checking account transfer, or other electronic funds transfer a credit card issuer, a debit card issuer, a bank, or other electronic funds transfer system sponsor, because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

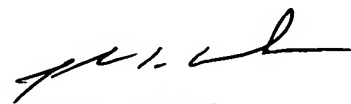
Response to Arguments

52. Applicant's arguments filed 9/25/2003 have been fully considered but are moot in view of the new ground(s) of rejection.

Conclusion

53. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jonathan Ouellette whose telephone number is (703) 605-0662. The examiner can normally be reached on Monday through Thursday, 8am - 5:00pm.
54. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (703) 308-2702. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 305-7687 for regular communications and (703) 305-3597 for After Final communications.
55. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 306-5484.


jo
September 15, 2004


JOHN G. WEISS
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600